

Worldbex – Manila

Worldbex 2004 -- the 9th Philippine World Building and Construction Exposition -- is the most important building materials trade show in the Philippines. The exposition will be held March 17-21, 2004 at the World Trade Center Manila, and will include a U.S. Pavilion.

Worldbex features building materials and equipment, interior design and renovation products, security and fire equipment, and mechanical and electrical engineering systems. Many Philippine architects, interior designers, engineers, developers, distributors, importers and purchasing managers visit Worldbex to find new building products and technologies, making Worldbex a productive event for American companies that want to do business in the Philippines. For more information regarding the U.S. Pavilion at Worldbex 2004, visit <http://www.buyusa.gov/philippines>, or contact U.S. Embassy Commercial Specialist Bebe Montesines at email: Bebe.Montesines@mail.doc.gov.

International Builders Show 2004

The International Builders' Show is the world's largest annual trade show for the building industry – showcasing more than 1,300 manufacturers, suppliers and service providers. This year's show, being held in Las Vegas, NV, will include displays of residential and commercial building industry products, services and materials in more than 100 product/service categories. This year's International Builders' Show is expected to attract more than 90,000 professionals from nearly 100 countries. The show will also include construction related meetings, seminars and workshops in the world. The show will be held January 19-22 at the Las Vegas Convention Center. In addition, former President George HW Bush will be keynote speaker for the opening ceremonies. For more information about the show contact your ACE Trade Specialist.

Market Research

Spain's Construction Sector

Spain's \$106 billion construction sector remains the strongest of all its basic sectors (agriculture, services, industry and construction). Residential building and civil works continue to be the pillars of the Spanish construction sector, constituting 57% of total construction in 2002. Spain's residential building market is experiencing increased demand due to low interest rates and a booming tourist industry. Civil works have become an important form of construction due to an increase in public sector construction spending.

The Ministry of Public Works has developed a "Master Plan for Infrastructures" with a total budget of \$56 billion through 2007. The Master Plan will make use of the European Union's structural and cohesion funds available to Spain. Major projects to be completed by 2010 include: massive refurbishment/revitalization of Spain's airport system with special emphasis on Madrid's Barajas International Airport, seaport refurbishment, railway network refurbishment/development with emphasis on the development of the high-speed train network, and highway construction/maintenance. New and innovative techniques from American firms are highly regarded, offering US based ACE companies many opportunities.

Opportunities in Canada

Access Northeast Energy Inc. (ANE) of Halifax, Nova Scotia is in the initial stages of building a \$376 million liquid natural gas (LNG) plant at the port of Bear Head, Nova Scotia. ANE has secured a location and is currently conducting a technical and economic feasibility study as well as an environmental assessment of the site. Construction is expected to start in 2005 with plant operation beginning by 2007. The plant will feed gas into the Maritimes and Northeast Pipeline that services North America's highest value market - New England.

U.S. companies that have the capability to supply equipment, technology, products or services relating to construction of a LNG facility should consider contacting their ACE Trade Specialist. Experience with similar projects suggests that local representation may be important for firms to be successful. It is recommended that U.S. companies consider taking advantage of the Commercial Service's targeted programs suitable for finding business partners in Canada such as the Gold Key Matching Service. Contacts for the Access Northeast Energy LNG project are available on request.

In a similar project, the Irving Corporation of Saint John, New Brunswick, has also proposed a similar project, valued at US\$373 million.

Swiss Resort Project

Gstaad, a prominent Swiss mountain resort for the "rich and famous," may soon become host of one of Switzerland's largest recreational resorts. "La Terrasse de Gstaad" is a \$200 million project scheduled to be completed by 2010. The resort is planned to include two 600-room hotels, a chalet park with 30 large chalets, a 9-hole and 6-hole golf course, a sports facilities, a health spa and private homes. Further attractions will include a "natural looking" artificial lake with thermal bath and wellness facilities and small roads/paths for walking, biking, etc.

Port of Santos, Brazil

Brazil's Transportation Ministry recently authorized the tender for an executive project to improve access to the Port of Santos, the most important port in the country. The project is estimated at 800 million reais (approximately \$ 278 million) and aims to segregate rail and highway traffic into the port, as well as divert heavy vehicles away from municipalities.

Santos is responsible for 26.7 percent of all Brazilian exports and 25.5 percent of all Brazilian imports, making it the gateway to Latin America's largest economy. The port moved 53.5 million tons of cargo in 2002, and is expected to move over 60 million tons in 2003.

Jose Carlos Melo Rego, president of the port's federally controlled operator, Codesp, has warned that Santos could face an operational collapse in the next three years if adequate infrastructure is not installed to accompany its increasing demand for cargo movement. U.S. companies in the construction and transportation sectors interested in this aspect of the Brazilian market should contact their ACE Trade Specialist.

Toll Road Concession in Peru

PROINVERSION, Peru's Investment Promotion Agency, recently extended the deadline for the pre-qualification process for a special public tender. The project comprises the maintenance and operation of a 263 km toll road south of Lima. The operator will also be responsible for improving services along the highway, adding emergency phone booths, ambulances, road patrol, restrooms and mechanic assistance. Required investment is estimated around \$205 million (VAT included). The concession will last for 25 years. The new deadline for pre-qualification is November 23rd, 2003. For more information contact your ACE Trade Specialist.

Hotel Industry In Russia

The hotel industry in Russia is still in its early stages of development, providing numerous opportunities to foreign firms. Though the hotel market has recently seen some growth in Russia's largest cities, it is still modest in size compared to that of Western Countries.

Russian officials estimate, the country may eventually draw 40 million tourists per year, increasing demand for middle and economy class hotels. To take advantage of this opportunity, the Russian government recently approved the Tourism Development Program, calling for increased spending for development in the tourism industry. The plan names the Moscow region, St. Petersburg, Kaliningrad, and the Golden Ring cities as major tourism centers and priorities for development.

In the last 14 years, a significant number of high-end hotels have been built in Russia's major cities. However, little has been done to accommodate the growing number of middle class and economy tourists. Very few three-star hotels have been built in Russia in the last ten years. Most middle and economy-level hotels are deteriorated Soviet-era buildings, badly in need of substantial infrastructure renovations and upgrading of services before they can attract tourists and business travelers.

Moscow currently represents the most attractive destination for international firms interested in Russia. According to city officials, the number of tourists visiting Moscow annually will increase more than five fold over the next decade. By 2020, Moscow is expected to be among the top 10 most visited cities in the world, making developing tourism into a majority industry a high priority.

The upper end of the hotel market is close to saturation in Moscow and is likely to develop at a slower rate, creating opportunities for development of middle class/economy hotels and other popular tourist attractions. There is also a need for accommodations to provide long-term housing to the increasing number of business travelers from Asia and Eastern Europe on extended stays in Moscow. The city plans to build about 20 three-star hotels and reconstruct about 30 existing hotels within the next few years, particularly those in the low-price segment. Companies are encouraged to work directly with the Moscow city government to obtain competitive investment terms and land leases.

Housing in Morocco

The Ministry of Housing in Morocco is launching an international tender for the design and construction of 1500 low-cost turnkey housing units to be built in three cities – Marrakech, Agadir, and Meknes. This project, "Al Itifaq", is aimed at introducing new concepts and technologies in order to reduce the costs and completion times required for low cost housing construction. This is an opportunity for US ACE firms to partner with local construction firms already involved in low-cost housing. To encourage high quality firms, the Ministry is allowing participating firms a large margin of flexibility in the different phases of the project including the choice of the designer, the technology, the human, financial and technical resources management. The deadline for admission of candidacies is set for November 25, 2003. For more information interested firms should contact their ACE Trade Specialist.

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